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# World Production and Trade

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Agricultural  
Service

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Weekly  
Roundup

WR 47-85

Nov. 20, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

## GRAIN AND FEED

BRAZIL has purchased 400,000 metric tons of U.S. corn and may take up to 1 million tons in 1985/86 (October-September). Brazil has been a sporadic corn trader, importing nearly 2 million tons in some years and exporting over 1 million in others. This year, Brazil was expected to import only 200,000 tons. The large purchases are thought to be a government effort to reduce speculation and domestic price inflation. This effort could also include requesting Argentina to substitute corn for wheat under their grain agreement. At present, however, the Brazilians are still expected to take their entire corn import needs for 1985/86 from the United States.

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BRAZIL, which in recent years has imported 2.5-3.0 million tons of U.S. wheat annually, has indicated it will not make additional purchases of U.S. wheat until late January or February 1986. This action may not necessarily result in lost U.S. sales, only a postponement. The suspension is the result of large domestic supplies, limited storage capacity and the scheduled arrival of Argentine and Canadian wheat purchased under government-to-government agreements. Total Brazilian wheat imports are forecast at 3.5 million tons for 1985/86 (July/June), down from the previous five-year average of 4.3 million tons.

## OILSEEDS AND PRODUCTS

In ITALY, a marked increase in demand for compound feeds has led to a 33-percent increase in imports of soybeans and soybean meal in 1984/85, compared with the previous year. Soybean imports during 1985/86 are forecast to be slightly lower at 1.5 million tons and soybean meal imports are forecast to be unchanged at 1.4 million. Imports of non-grain feed ingredients such as fishmeal, corn gluten feed and tapioca are running above trend.

## DAIRY, LIVESTOCK AND POULTRY

YUGOSLAVIA's milk production is expected to total 4.59 million tons in 1985, only slightly higher than 1984, according to the U.S. agricultural counselor in Belgrade. The lack of growth in milk production is due both to tight profit margins and to lagging genetic development of the dairy herd.

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In an effort to increase output of dairy products despite the relatively constant supply of milk, a 1984 governmental decision set the minimum fat content of fresh milk at 2.8 percent, down from 3.2 percent. Despite that policy change, 1985 output of butter, estimated at 15,000 tons, and of cheese, estimated at 136,000, are unchanged from 1984.

#### TOBACCO

On October 28, TURKEY's Tobacco Monopoly announced price increases on both locally produced and imported cigarettes, the third price increase during 1985. The cumulative price increase during 1985 for imported Marlboro and Samsun 216 cigarettes is 45 and 60 percent, respectively. Cumulative 1985 increases for local filter cigarettes have been between 50 and 70 percent, for non-filter cigarettes the increases have been between 53 and 112 percent. The current price of imported Marlboro cigarettes is 580 lira (approximately US\$ 1.09) per pack. Currently, the highest priced local filter cigarette is 270 lira (US\$ 0.51) per pack. The effect of the increases has reduced the price spread between the imported American and domestic cigarettes. While American cigarette imports by Turkey are small, these increases may allow for a larger market share.

#### SEEDS

Exports of U.S. seeds for planting totaled \$62.1 million during July-September 1985, maintaining the first quarter level of a year earlier. Vegetable seed exports increased 6 percent to \$26.2 million and grain sorghum seed exports were up 39 percent to \$8.7 million. Soybean seed shipments increased 47 percent to \$1.4 million for the first quarter of the marketing year, while exports of other seeds totaled \$7.9 million, an increase of 40 percent over last year. Exports of forage and flower seeds dropped sharply to \$10.5 million and \$1.3 million, respectively, while corn seed exports slowed to \$6.2 million. The largest markets were Mexico, Venezuela and Saudi Arabia.

#### FRUITS

According to the U.S. agricultural counselor in Buenos Aires, a severe frost and subsequent hail storm in October caused extensive damage to ARGENTINE apple and pear orchards in Neuquen and the Rio Negro Valley. The frost occurred 15-20 days prior to fruit setting for apples. As a result, the 1985/86 Argentine harvest is not expected to exceed 550,000 tons, 40 percent below the average crop range of 900,000-950,000 tons.

Damage to pear orchards was more extensive as the frost occurred only 8-10 days prior to fruit setting. Reportedly, most of the early-blossoming Williams variety was lost. Prospects appear more favorable for the Winter Bartlett and D'Anjou crops that blossomed later.

The Argentine government has declared the provinces of Rio Negro and Neuquen disaster zones. Those producers insured against hail storm damage will receive partial compensation. Since there are no provisions for compensation of losses resulting from freeze damage, many apple and pear growers are intercropping their orchards with squash, tomatoes and lettuce in an effort to recover some of the revenue lost on this season's fruit crops.

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Selected International Prices

Item		Nov. 19, 1985	Change from previous week	A year ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	191.50
U.S. No. 2 DNS/NS: 14%....	178.00	4.84	-.50	175.00
U.S. No. 2 S.R.W. ....	153.50	4.18	+2.50	163.00
U.S. No. 3 H.A.D.....	170.00	4.63	+1.00	191.00
Canadian No. 1 A: Durum...	N.Q.	--	--	208.00
Feed grains:				
U.S. No. 3 Yellow Corn....	119.50	3.04	+1.50	133.50
Soybeans and meal:				
U.S. No. 2 Yellow.....	204.50	5.56	-13.00	248.25
Brazil 47/48% SoyaPellets	182.00	--	-14.00	183.00
U.S. 44% Soybean Meal....	167.00	--	-12.00	167.00
U.S. FARM PRICES 3/				
Wheat.....	116.47	3.17	.37	127.12
Barley.....	65.22	1.42	--	81.76
Corn.....	93.31	2.37	+1.97	102.76
Sorghum.....	75.50	3.42 2/	+3.31	89.29
Broilers.....	1198.86	--	-20.28	1147.71
EC IMPORT LEVIES				
Wheat 5/.....	118.25	3.22	+14.00	50.40
Barley.....	104.70	2.28	.05	55.35
Corn.....	86.20	2.19	-7.35	51.60
Sorghum.....	96.95	2.46	+1.45	63.30
Broilers 4/ 6/ 8/.....	234.00	--	+1.00	165.00
EC INTERVENTION PRICES 7/				
Common wheat(feed quality)	159.75	4.35	.10	144.65
Bread wheat (min. quality)	170.30	4.63	.05	154.25
Barley and all				
other feed grains.....	159.75	--	.10	144.65
Broilers 4/ 6/.....	1234.00	--	-3.00	1114.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat .....	60.45	1.65	-3.70	12.40
Barley.....	70.20	1.53	-1.20	27.60
Broilers 4/ 6/ 8/.....	152.00	--	+1.00	97.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. N.A.=None authorized. N.Q.=Not quoted. Note: Basis December delivery.

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